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**USTR ANNOUNCES RESULTS OF SPECIAL 301
OUT-OF-CYCLE REVIEWS**

United States Trade Representative Charlene Barshefsky today announced the results of out-of-cycle reviews of Colombia, the Czech Republic, Hong Kong, and Malaysia. As a result of the out-of-cycle reviews, Hong Kong and Malaysia will remain off the "Watch List," and Colombia and the Czech Republic will remain on the list. The out-of-cycle reviews for these four countries were conducted pursuant to the results of the 1999 Special 301 review of last April.

"In recognition of the continuing steps Hong Kong has taken to address piracy since our last review, I am pleased to announce that Hong Kong will remain off the Special 301 Watch List," said Ambassador Barshefsky. "However, in view of the fact that piracy of optical media remains a serious problem, we call upon Hong Kong to redouble its efforts to reduce piracy rates and we will continue to vigorously monitor Hong Kong government actions in this regard."

With respect to Malaysia, Ambassador Barshefsky announced that USTR would continue to monitor Malaysia's progress toward substantially reducing pirated optical media production. She stated: "We believe it is vital that the Government of Malaysia pass TRIPS-related legislative amendments and comprehensive optical disk legislation as a top priority in the next Parliamentary session."

"Colombia and the Czech Republic must continue to strive to resolve outstanding concerns prior to the 2000 review, although both countries have made progress on certain issues since the April 1999 review," continued Ambassador Barshefsky. "In particular, I want to congratulate Colombia on making significant progress in advancing its long-delayed licensing process for legitimate cable television operators."

Details of the out-of-cycle reviews are provided below:

Hong Kong will not be included on the Watch List.

Hong Kong has undertaken significant enforcement actions since April to address the problem of piracy, but significant follow-up efforts are needed as piracy problems continue. The USTR will monitor action by Hong Kong authorities to reclassify piracy as an organized and serious crime, to extend the mandate of the special anti-piracy task force beyond December 1999, and to prosecute corporate piracy and the illegal loading of software by dealers onto computer hard drives.

Malaysia will not be included on the Watch List. However, USTR will continue to closely monitor future concrete actions taken by Malaysia to reduce pirated optical media production and export.

In the April review, USTR announced that it would look for further actions by the Government of Malaysia, including: adoption of an effective, comprehensive optical disk regime; licensing of all optical disk manufacturing facilities; adoption of provisions for imposition of deterrent penalties; greater emphasis on customs enforcement against pirate exports; increased maximum penalties; development of standardized prosecution guidelines; increased resources for intellectual property rights (IPR) policy, enforcement and prosecution; full compliance with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) by January 1, 2000; and reexamination of section 42 of Malaysia's Copyright Act to ensure that Malaysian enforcement procedures are not "unnecessarily complicated or costly" as required by Article 41 of TRIPS.

While the Government of Malaysia has proceeded with comprehensive optical media legislation (including criminal penalties) and over 6,000 inspections and raids have been conducted since April, consideration of the optical disk legislation and most TRIPS-related amendments to existing legislation were stalled when Parliament was dissolved prior to the recent elections in Malaysia. USTR will continue to monitor the progress and substance of these initiatives, and has called upon the Government of Malaysia to pass both TRIPS-related amendments and comprehensive optical disk legislation as an urgent priority at the next Parliamentary session.

Colombia will remain on the Watch List.

An out-of-cycle review was scheduled for Colombia because of expectations this past April that the failed November 1998 licensing process for legitimate cable television operators would be completed in July 1999. Significant progress was also expected by September in enforcement efforts, and towards bringing Colombia's intellectual property regime into compliance with TRIPS.

Piracy levels in Colombia remain high. However, in a very positive development on cable licenses, 114 licenses were issued in November for new cable television operators. In addition, the Government of Colombia has continued its efforts to improve law enforcement coordination mechanisms and cooperation with U.S. industry.

The Government of Colombia is urged to focus renewed efforts toward enforcement and full implementation of the TRIPS Agreement by January 1, 2000, and to assume a leadership role within the Andean Community to bring decisions 344, 345 and 351 into conformity with TRIPS by the January 1, 2000 deadline. Decisions 344, 345 and 351 outline intellectual and industrial rights.

The Czech Republic will remain on the Watch List.

The April decision to place the Czech Republic on the Watch List stems from legal shortcomings in the Czech Republic's intellectual property regime and the measures needed to provide effective enforcement. Since April, the Government of the Czech Republic has made advancements on both fronts, but further progress is needed. New broadcast, copyright, trademark, patent, and satellite broadcast laws have been drafted, however, there are TRIPS-consistency problems (for example, with respect to enforcement provisions such as ex parte search procedures) with some of these drafts.

A new customs-related law increasing fines and facilitating seizures of suspected counterfeit goods goes into effect in December 1999, and Czech police and prosecutors have worked to improve enforcement. However, inadequate enforcement efforts against large-scale optical media pirates and delays in investigation and prosecution remain major problems.